



COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

QUARTERLY BUSINESS SURVEY No. 19. PRELIMINARY RESULTS.

PAST AND ANTICIPATED CAPITAL AND MAINTENANCE EXPENDITURE BY AUSTRALIAN BUSINESS.

I. INTRODUCTION

Business Survey Number 19 made early in 1952 showed that estimated expenditure on new buildings and new capital equipment by private businesses subject to payroll tax was £184m. for the year 1951 compared with £132m. in 1950. In the second half of 1951 expenditure was £96.3m., equal to an annual rate of more than £190m. Expenditure then anticipated to be made by these businesses during the first half of 1952 was about £111m. compared with an actual expenditure of £96m. in the second half of 1951 and £88m. in the first half of 1951. These returns of anticipated expenditure for the first half of 1952 were collected during January and February, 1952, and related to intentions then current. As actual expenditure may have varied from the intended level, a further survey will be made in July, 1952 to ascertain actual expenditure.

The results of the most recent survey are shown in some detail in comparative tables herein. The figures of actual expenditure in the second half of 1951 are based on the preliminary analysis of the results of Survey No. 19 and may require slight revision. The details of actual expenditure in the first half of 1951 which were published in the report on the previous survey have been revised, but the revision does not affect the general trends shown by the earlier published figures.

The Quarterly Business Surveys are circulated to a selected list of businesses and on the basis of their replies estimates are prepared covering the activities of all businesses subject to payroll tax. The estimated totals do not, however, cover rural industry, and governments and most government business undertakings are excluded.

The figures in these surveys refer to expenditure made by businesses in respect of buildings and equipment for their own use. Builders and manufacturers or repairers of capital equipment are asked to exclude the value of work done for other businesses.

"Buildings" in this report includes a certain amount of construction work on assets such as private wharves, roads, etc. Capital equipment includes vehicles, cranes, office equipment and furniture, and machines and machinery of all kinds.

II. NEW CAPITAL EXPENDITURE

Table 1 shows the expenditure on new buildings and new capital equipment from 1948 to 1951 and an estimate of the expenditure anticipated in the first half of 1952. Particulars of actual expenditure in 1947 were given in previous reports.

TABLE 1. NEW CAPITAL EXPENDITURE

(By private businesses subject to payroll tax - excluding rural industries)

£m.

	Year 1948	Year 1949	Year 1950	Year 1951	1951		1952
					1st Half	2nd Half	1st Half
<u>New Building</u>							
Forecast ..	26.8	26.7	36.9	55.0	22.8	32.2	34.4
Actual ..	20.9	25.2	32.4	48.4	21.3	27.1	-
<u>New Capital Equipment</u>							
Forecast ..	72.9	78.2	92.2	134.6	60.4	74.2	76.3
Actual ..	72.1	80.6	99.3	135.6	66.4	69.2	-
<u>Total New Capital Expenditure</u>							
Forecast ..	99.7	104.9	129.1	189.6	83.2	106.4	110.7
Actual ..	93.0	105.8	131.7	184.0	87.7	96.3	-

Expenditure on new buildings increased by £5.8m. between the first half of 1951 and the second half, representing a rise in expenditure of 27 per cent. Expenditure on new capital equipment increased by a further £2.8m., an increase of 4 per cent or about a sixth of the rate of increase in new building expenditure. As compared with the 1948 levels, expenditure on new buildings in 1951 was 132 per cent higher and expenditure on other new capital equipment 88 per cent higher.

Total expenditure rose by £8.6m., or 10 per cent, between the first half of 1951 and the second half. A further increase of £14.4m., or 15 per cent, was forecast for the first half of 1952. Expenditure on both new buildings and new capital equipment was expected to increase by more than £7m.

III. NEW CAPITAL EXPENDITURE IN INDUSTRY GROUPS

Table 2 shows estimated expenditure on new buildings and capital equipment in the chief industry groups from 1948 to 1951 together with the expenditure forecast for the first half of 1952.

TABLE 2. NEW CAPITAL EXPENDITURE ON EQUIPMENT AND BUILDINGS IN INDUSTRY GROUPS

(By private businesses subject to payroll tax - excluding rural industries)

£m.

Industry Group	Year 1948 Actual	Year 1949 Actual	Year 1950 Actual	Year 1951 Actual	1951		1952
					1st Half. Actual	2nd Half. Actual	1st Half. Forecast
<u>Manufacturing</u>							
Engineering and Vehicles	21.6	24.1	26.9	40.7	21.1	19.6	27.2
Textile ..	3.5	3.6	4.1	4.5	2.3	2.2	2.0
Clothing ..	2.7	3.6	2.6	4.2	1.9	2.3	1.6
Food, Drink & Tobacco	8.2	10.9	15.0	17.8	8.3	9.5	10.1
Paper and Printing	6.8	9.1	11.4	14.1	6.7	7.4	9.4
Gas and Electricity	5.4	5.2	6.4	8.6	3.8	4.8	6.0
Other Manufacturing	11.0	13.5	19.7	27.6	13.2	14.4	15.6
Total Manufacturing:	59.2	70.0	86.1	117.5	57.3	60.2	71.9
Mining ..	3.3	4.5	6.8	10.8	5.3	5.5	7.0
Transport ..	6.5	7.2	6.8	10.1	5.1	5.0	5.2
Wholesale and Retail Trade	17.7	16.1	20.9	30.7	13.3	17.4	19.3
All Other ..	6.3	8.0	11.1	14.9	6.7	8.2	7.3
Total Non-manufacturing:	33.8	35.8	45.6	66.5	30.4	36.1	38.8
TOTAL:	93.0	105.8	131.7	184.0	87.7	96.3	110.7

The rise in total new capital expenditure from £87.7m. in the first half of 1951 to £96.3m. in the second half is accounted for by an increase of £2.9m. in expenditure by manufacturing industries and £5.7m. by the non-manufacturing industries. Of the anticipated further increase of £14.4m. in expenditure in the first half of 1952 manufacturing industry accounts for £11.7m. and non-manufacturing industries £2.7m. Most industry groups showed an increase in expenditure between the first half of 1951 and the second half, the largest increases being by the food, drink and tobacco, "other manufacturing", wholesale and retail trading groups and the "all other" industry group.

The total expenditure in 1951 is about double the expenditure in 1948. The largest relative increases over this period have been in the food, drink and tobacco, paper and printing, "other manufacturing", mining and "all other" industry groups. The smallest increases are shown by the textile and clothing manufacturing industries and the transport industry.

The increase in the expenditure forecast for the 1st half of 1952 is concentrated in the manufacturing group of industries and in this group engineering and vehicle manufacturing, with an anticipated increase of £7.6m., accounts for more than half of the total increase. Substantial increases were forecast also for the paper and printing, gas and electricity and other manufacturing industries. A fall in expenditure was anticipated in the clothing and textile industries. In the non-manufacturing industries the anticipated fall in expenditure in the "all other" industry group was more than offset by rises in the mining, transport and wholesale and retail trading industries.

IV. REPAIR AND MAINTENANCE EXPENDITURE

Table 3 shows the gradual increases which have taken place in expenditure on repairs and maintenance since 1948 in the private businesses covered by the survey. As compared with the 1948 totals the 1951 level of expenditure represents a rise of 70 per cent.

TABLE 3. REPAIR AND MAINTENANCE EXPENDITURE

(By private businesses subject to payroll tax - excluding rural industries)

£m.

	Year 1948	Year 1949	Year 1950	Year 1951	1951		1952
					1st Half	2nd Half	1st Half
Forecast ..	57.4	64.2	69.7	89.4	40.6	48.8	53.3
Actual ..	62.7	70.3	77.4	106.7	51.7	55.0	-

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CANBERRA. A.C.T.

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